

AGENDA
GIG HARBOR CITY COUNCIL STUDY SESSION
Thursday, May 1, 2025 - 3:00 PM
Community Rooms

This meeting may also be accessed through Zoom at <https://zoom.us/j/93216056382> or by calling (253) 215-8782 and entering Meeting ID 932 1605 6382.

CALL TO ORDER/ROLL CALL

DISCUSSION ITEMS

1. **Fats, Oils, and Grease (FOG) Program Updates**
Public Works Director Jeff Langhelm, PE
2. **2025 Transportation Impact Fee (TIF) – Legislative Exemption Options**
City Engineer Aaron Hulst, PE
3. **Shore Acres Water System – Ownership Consideration**

ADJOURN

PUBLIC COMMENT & DECORUM

Public comment will not be accepted at this study session.

AMERICANS WITH DISABILITIES (ADA) ACCOMMODATIONS

ADA accommodations can be provided upon request. Those requiring special accommodations should contact the city clerk at cityclerk@gjgharborwa.gov or (253) 853-7613 at least 24 hours prior to the meeting.



**City of Gig Harbor
City Council Agenda Bill**

Meeting Date: May 1, 2025

SUBJECT: Fats, Oils, and Grease (FOG) Program Updates

SUBMITTED BY: Public Works Director Jeff Langhelm, PE

DEPARTMENT: Public Works

PHONE: (253) 853-7630

SUGGESTED MOTION: N/A

BACKGROUND INFORMATION: Commercial facilities, such as kitchens and coffee shops, discharge relatively high level of fats, oils, and grease (FOG) into the public sewer system. In 2007 the City of Gig Harbor developed and implemented code requirements in GHMC 13.30 per Ordinance 1087 and subsequent revisions to protect the public health, safety, and the environment by requiring these facilities to remove FOG from their sewage discharge prior to entering the city's sewer system.

If FOG removal practices at commercial facilities are not adequately performed, the high levels of FOG cause clogging of the sewer pipes and creating overflows. Overflows due to FOG particles occur at all locations along the conveyance system, including in kitchens, parking lots, lift stations, the public right of way, or potentially the harbor or Puget Sound. High levels of FOG that make their way to city infrastructure reduce pipe capacity and impact level control equipment and pumps, which increases staff maintenance costs to remove this FOG from city infrastructure. Without the adequate facilities or maintenance outlined in GHMC 13.30, overflows would increase and taxpayers would spend tens of thousands of public dollars each year to remove FOG from the city's sewer system.

Therefore, GHMC 13.30 requires commercial facilities that discharge a certain level of FOG to the sewer system to install and maintain grease removal devices, such as grease traps or grease interceptors. GHMC 13.30 also dictates the city program to verify such maintenance.

In March of 2024 wastewater staff initiated a city-wide FOG program with a goal to identify, visit, educate and issue updated operational permits to all food service establishments with grease interceptors that produce and discharge FOG into the city sewer system. Very few of these establishments were performing grease removal practices on a regular basis, if at all.

Since initiation of this program more than a year ago, staff have issued 91 operational permits, which equals approximately 92% of the food service establishments connected to the City sewer system that have a grease interceptor. These permits identify the person or party responsible for FOG removal and maintenance, the required time interval between FOG removal practices and maintenance, and the requirement to report the FOG removal and any system deficiencies to an online database which is monitored by wastewater staff. This database reporting has proven to be very effective

in communicating with food service establishments and saves a significant amount of staff time monitoring compliance.

The intent of the May 1 study session is to review the city's FOG program, consider enforcement options, and discuss improvements staff would like to make to the current program.

FISCAL CONSIDERATION: None.

ATTACHMENTS: None

STRATEGIC PLAN PRIORITY: Strategic Plan Priority 2 - Ensure sustainable future for public services and facilities



**City of Gig Harbor
City Council Agenda Bill**

Meeting Date: May 1, 2025

SUBJECT: 2025 Transportation Impact Fee (TIF) – Legislative Exemption Options

SUBMITTED BY: City Engineer Aaron Hulst, PE

DEPARTMENT: Public Works

PHONE:

SUGGESTED MOTION: N/A

BACKGROUND INFORMATION: The purpose of this study session is to brief the city council on the optional impact fee exemptions for low-income housing and early learning facilities and to receive council direction on whether to offer these exemptions in the new impact fee program, and under what terms.

Under RCW 82.02.060, local jurisdictions may provide partial or full exemptions from impact fees for qualifying developments, including low-income housing and early learning facilities (day cares or preschools). Exemptions for low-income housing projects can be partial (up to 80%) without requiring the exempted amount to be paid by the city from other public funds. Full waivers are also allowed but 20% of the impact fee amount must be offset by public funds other than impact fee accounts, such as the city's General Fund.

Early learning facilities can receive similar partial impact fee exemptions (up to 80%). A full waiver may be granted without reimbursement from other public funds if at least 25% of the children served qualify for state-subsidized childcare programs. Otherwise, the remaining exempted amount must be offset by public funds.

The final adoption of the new TIF rate and study will be via ordinance at a city council meeting and requires a public hearing.

FISCAL CONSIDERATION: None.

ATTACHMENTS: None

STRATEGIC PLAN PRIORITY: Strategic Plan Priority 2 - Ensure sustainable future for public services and facilities



**City of Gig Harbor
City Council Agenda Bill**

Meeting Date: May 1, 2025

SUBJECT: Shore Acres Water System – Ownership Consideration

SUBMITTED BY: Public Works Director Jeff Langhelm, PE

DEPARTMENT: Public Works

PHONE: (253) 853-7630

SUGGESTED MOTION: N/A

BACKGROUND INFORMATION: The Shore Acres Water System (see attached service area map) was established in 1946 and used a single well source to provide drinking water to the Shore Acres community. Eventually, their well source slowed production and in the 1970s the city agreed to provide Shore Acres Water Company city water as a wholesale customer. The most current agreement between the city and Shore Acres is attached for reference. The Shore Acres Water System Board continues to operate the water system through volunteer efforts and with professional support from Peninsula Light Company.

About a decade ago, Shore Acres approached the city requesting the city take over ownership, operations, and maintenance of their water system. The city responded to this request with a list of deficiencies in the Shore Acres water system as perceived by the city. Shore Acres indicated they would make improvements then return to the city.

In 2023, Shore Acres returned to the city to again request the city take over their water system. The city requested Shore Acres summarize the improvements completed since the city last considered this request. After a few meetings, Shore Acres decided to engage with Washington Water Company, a privately owned water operator based in California, to transfer ownership, operations, and maintenance of the water system. This option would require the city still provide fire flow to the Shore Acres Water System.

On April 25, public works met with a representative of the Shore Acres Board to review the details of how the Shore Acres Water System transfer to Washington Water is proceeding and how the existing agreement between the city and Shore Acres may be impacted. During the April 25 meeting, Shore Acres acknowledged the board would still prefer to transfer the water system to the city instead of Washington Water so as to retain local representation and ownership. However, time is of the essence as this transfer may be executed in June 2025.

The intent of the May 1 study session is to review the existing impacts Shore Acres has on the city's water system then consider the two options the city has to proceed forward with serving the Shore Acres Water System.

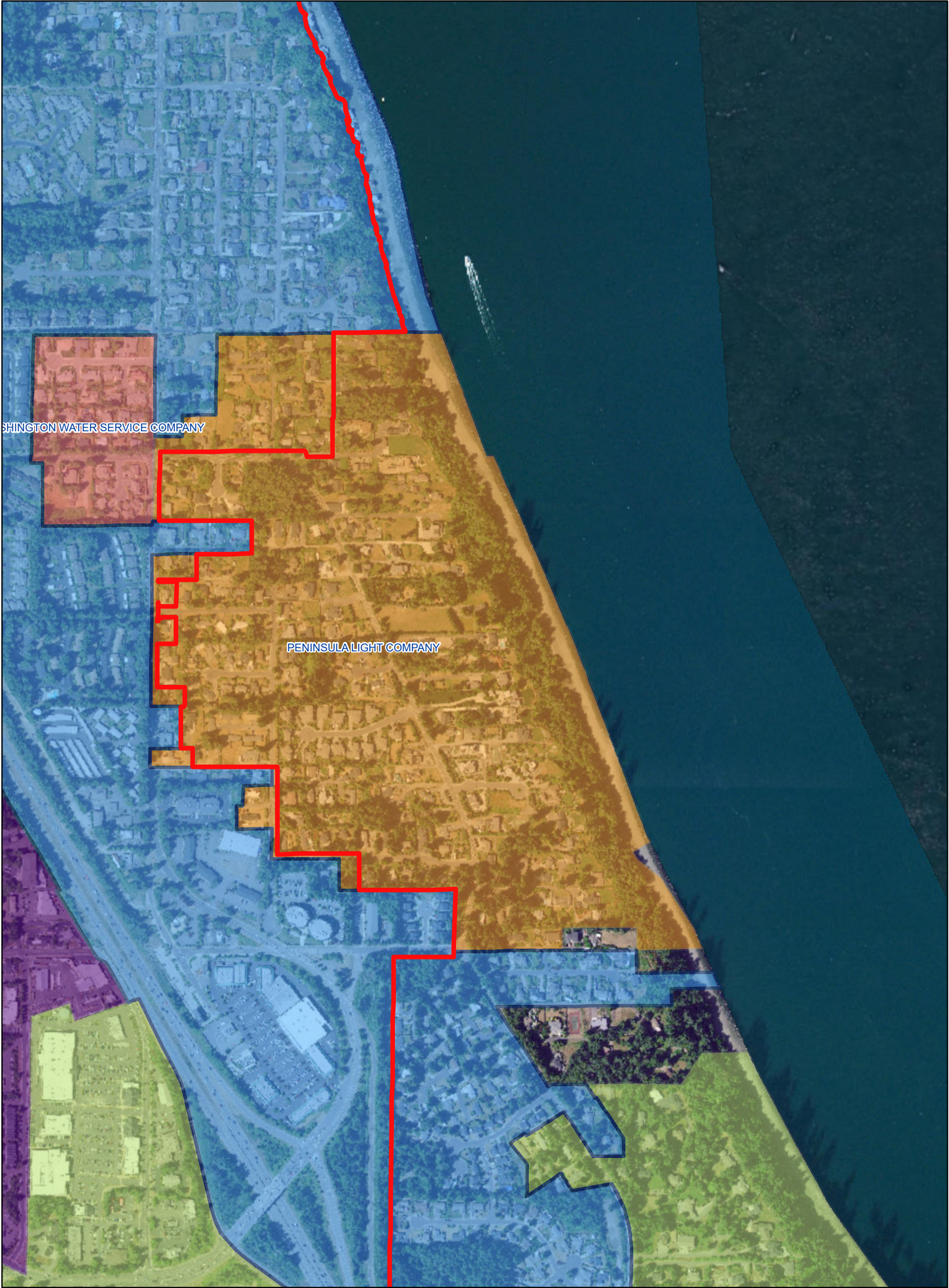
FISCAL CONSIDERATION: None.

ATTACHMENTS:

1. Shore Acres Water Service Area Map
2. 2008-01-14_Shore Acres Water Service Agreement

STRATEGIC PLAN PRIORITY: Strategic Plan Priority 2 - Ensure sustainable future for public services and facilities

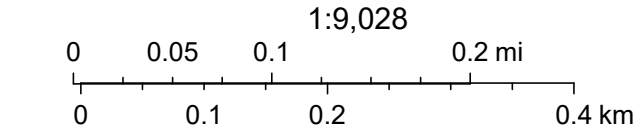
Shore Acres (aka Peninsula Light) Water System Service Area



4/29/2025, 11:27:56 AM

GH Peninsula Purveyor Management Agencies

- GIG HARBOR WATER DEPT
- WASHINGTON WATER SERVICE COMPANY
- PENINSULA LIGHT COMPANY
- RAINIER VIEW WATER COMPANY
- STROH S WATER COMPANY INC



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Sources: Esri, HERE, Garmin, FAO, NOAA, USGS, ©

**AGREEMENT
BETWEEN THE CITY OF GIG HARBOR
AND THE SHORE ACRES WATER COMPANY**

THIS AGREEMENT, made and entered into this 14 day of January, 2008, by and between the City of Gig Harbor, an optional code municipal corporation of the State of Washington, hereinafter called the "City," and Shore Acres Water Company, a nonprofit corporation, organized and existing under the laws of the State of Washington, hereinafter called the "Purchaser."

WITNESSETH:

WHEREAS, the Purchaser is the owner of a Water Company, and its customers own property located both inside and outside the City limits; and

WHEREAS, the Purchaser purchases water from the City for the use of its customers, who are billed by the Purchaser, and the Purchaser then pays the City for the water;

WHEREAS, the Purchaser desires to obtain additional hook-ups for property that has not yet been developed; and

WHEREAS, the City desires to provide water to the Purchaser, under the terms and conditions set forth in Title 13 of the Gig Harbor Municipal Code; and

WHEREAS, the City Council held a public hearing on this Agreement on January 14, 2008, during a regularly scheduled Council meeting, and authorized the Mayor to execute this Agreement on behalf of the City; NOW, THEREFORE,

That the parties heretofore and in consideration of the mutual covenants herein contained, agree as follows:

1. Agreement to Sell Water, Agreement to Purchase Water.

The City agrees to sell up to Seventeen Million (17,000,000) gallons of water annually to the Purchaser for the term of this Agreement, under the terms and conditions set forth herein. "Annually" shall mean from January 1st of any year until December 31st of that year. At the time a new connection to the Purchaser's system is added under Section 4 herein, the City agrees to increase this amount by Eighty Thousand (80,000) gallons of water annually to the Purchaser for the remaining term of the Agreement, under the terms and conditions set forth in this Agreement. The Eighty Thousand (80,000) gallons of water annual limit reflects

the amount included in the City's Water Comprehensive Plan used by a single household, multiplied by the number of connections in the Purchaser's system as of the date of this Agreement. The parties agree that if the City's Water Comprehensive Plan (or an ordinance adopted for the same purpose) is amended to reflect a new number for water use by a single household, then this shall thereafter be used in future calculations for the amount of increase for a single connection.

The amounts established in this Section 1 shall not apply during those times in which the City Council declares that there is a drought or other emergency necessitating the adoption of ordinances relating to water conservation. During such times, the Purchaser agrees to comply with the City's water conservation ordinances.

The parties agree that if the Purchaser draws more water from the City's water system than the Seventeen Million (17,000,000) gallon annual limit, payment for any gallons over the Seventeen Million limit shall include a surcharge of twenty-five percent (25%) of the current water rate, as established in the City's ordinances. In addition, if the Purchaser draws more water from the City's water system than ten percent (10%) above the Seventeen Million (17,000,000) gallon limit, the parties shall meet to renegotiate this Agreement, as set forth in Section 17 herein.

2. Term.

This Agreement shall be deemed effective as of January 14, 2008, and shall terminate on December 31, 2011. Without further action by either of the parties hereto, and as long as the Purchaser has not triggered the renegotiation provision of Section 1 above, this Agreement shall be renewed and continued in full force and effect for additional terms of four year periods after the anniversary date, unless the Purchaser or City, on or before three hundred (360) days prior to the termination of this Agreement, or on or before three hundred (360) days prior to the termination of any renewal period, gives written notice that the Agreement will not be renewed.

3. Payment for Water and Connection Fees.

Water delivered under this Agreement shall be billed by the City and paid by the Purchaser bi-monthly. Purchaser shall pay the water rate established by the City in its codes, as they now exist or may hereafter be amended. All conditions of payment which apply to City customers shall apply equally to the Purchaser.

4. New Connections and Payment for Connections.

For purposes of calculating billing from the City to the Purchaser, it shall be conclusively presumed that there are currently **214** connections to the

Purchaser's system. This presumption shall be reviewed and adjusted to reflect actual number of connections on the first day of June of each year this agreement shall remain in force. Currently, the Purchaser is approved by the Department of Health for a total of 357 connections.

Any property owner in the jurisdiction of the Purchaser's water system (up to the 357 approved connections) may apply to the City for a water concurrency certificate. If granted, the individual property owner(s) shall comply with the applicable City codes, as they now exist or as they may be amended in the future.

The individual property owner shall pay to the City for each new connection to the Purchaser's system a connection fee as established by the City Council in an ordinance adopted for this purpose. The individual property owner agrees to pay the connection fee at the rate schedules applicable at the time the individual property owner requests to actually connect to the system.

5. Point of Delivery and Character of Service.

The City will deliver or make available to the Purchaser, at the two master meters serving Shore Acres Water Company near the City's corporate limits or at such other sites as the City and the Purchaser may agree upon, wholesome water for residential and fire extinguishing uses. The water supplied shall be of the same quality as that distributed by the City to its users.

6. Master Meter System.

The City shall bi-monthly read the master meters in existence and the bill sent to the Purchaser from the City shall reflect that reading. The bi-monthly bill shall be computed as follows:

A. First, there shall be a determination of the total water consumed bi-monthly by reading the master meters.

B. Then, the billing shall be computed according to the current ordinance by multiplying the base charge for each 4" meter times the outside City multiplier, plus multiplying usage at the current ordinance rate per 100 cubic feet times the outside City multiplier, plus City taxes as applicable.

7. Load Changes.

The Purchaser shall not extend new service to any structure used for business or commercial purposes, as the same are defined in the City's Zoning Code, without first obtaining written approval from the City.

8. Resale of Water.

The Purchaser agrees that all water delivered by the City hereunder will be used for its own purposes as a distributing utility to distribute water to its members and that none will be delivered or sold to another distributing utility for resale.

9. Flushing.

The City shall notify the Purchaser prior to flushing any lines which affect the quality of the water delivered to the Purchaser, or before intentionally interrupting any water service to the Purchaser.

10. Interruption of Service for Causes Beyond Control of Parties.

If the operation of the City's source of water or means of distribution or the operation of the Purchaser's service is suspended, interrupted, or interfered with for any cause beyond the City's control, including, but not by way of limitation, the failure or breakdown or interruption of electrical power, floods, fires, acts of God or the public enemy, or other causes beyond the control of the parties, but expressly excluding a depression or recession in the economy, the City need not deliver water for such period of time to the extent that such suspension, interruption or interference makes it reasonably impractical to deliver such water; and monthly bills for any such period, including any such suspension, interruption of interference, shall be pro-rated by reducing the billing demand in the ratio of days of suspension of service to the total days in the billing period.

11. Area Served.

The Purchaser shall only serve members within the following described area:

Area Served.

The Purchaser shall only serve members within the following described area:

Beginning at the Northeast corner of the Southeast quarter of the Southwest quarter of Section 8, Township 21 North, Range 2 East of W.M.;

Thence West 30 feet more or less to the West line of Wickersham County Road;

Thence Southerly along the West line of Wickersham County Road to the North line of the Southwest quarter of Section 17, Township 21 North, Range 2 East W.M.;

Thence Easterly along the North line of the Southwest quarter and the Southeast quarter of Section 17 to the point of intersection with the Government Meander line;

Thence Northwesterly along the Government Meander line to the City limits of the City of Gig Harbor, the current city limits as established on October 23, 1946;

Thence Westerly along said City limits to the point of beginning.

Excluding any area served by the City through the City's distribution lines prior to the 1st day of January, 2007, which has been annexed to the City of Gig Harbor. Nothing in this Agreement shall limit the City's exercise of its authority to annex property served by the Purchaser.

12. Specific Enforcement.

In addition to any other remedy provided by law or this Agreement, the terms of this Agreement may be specifically enforced by a court of competent jurisdiction.

13. Assignment and Assumption.

The Purchaser shall have the right to sell, assign or transfer this Agreement with all their rights, title and interests therein to any person, firm or corporation, provided that, the City shall provide its prior written consent to such sale, assignment or transfer. The Purchaser shall provide the City with written notice of any intent to sell, assign, or transfer, at least 30 days in advance of such action. The City's consent shall not be unreasonably withheld.

14. Amendment to Agreement; Effect of Agreement on Future Actions.

This Agreement may be amended by mutual consent of all of the parties, provided that any such amendment shall follow the process established by law for the adoption of a development agreement (see, RCW 36.70B.200).

15. Notices.

Notices and correspondence to the City and Purchaser shall be sufficiently given if dispatched by pre-paid first-class mail to the addresses of the parties as designated below. Notice to the City shall be to the attention of both the City Administrator and City Attorney. The parties hereto may, from time to time, advise the other of any new addresses for notice and correspondence.

TO THE CITY:

TO SHORE ACRES:

City Administrator
City of Gig Harbor
3510 Grandview Street
Gig Harbor, WA 98335

Shore Acres Water Company
3110 Judson St. PMB #232
Gig Harbor, WA 98335

City Attorney
Law Office of Carol A. Morris, P.C.
P.O. Box 948
Seabeck, WA 98380

16. Applicable Law and Attorneys' Fees.

This Agreement shall be construed and enforced in accordance with the laws of the State of Washington. If litigation is initiated to enforce the terms of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs from the non-prevailing party. Venue for any action shall lie in Pierce County Superior Court or the U.S. District Court for Western Washington.

17. Default and Termination.

A. The occurrence of any one or more of the following events shall constitute a material default and breach of this Agreement by the non-performing Party:

1. The failure to make any payment required to be made hereunder within ten (10) days of the receipt of the notice of such failure to pay;
2. The failure of the City to provide water to the Purchaser, in the amounts agreed to herein, within twenty (20) days of the receipt of the notice of such failure to provide water;
3. The Purchaser's annual use of water in excess of ten percent (10%) over the amount established in Section 1; and
4. The failure to observe or perform any of the covenants, conditions or obligations of this Agreement, within ten (10) days of a notice by the other Party, specifying the nature of the default claimed.

B. With respect to any default under Section 17(A) above, the Purchaser shall be responsible for the default of any individual purchaser of water in the Purchaser's water system.

C. At the end of each year, the City shall calculate the amount of water used by the Purchaser. If the amount used by the Purchaser for the year

exceeds by ten percent (10%) the amount established in Section 1 of this Agreement, the City shall notify the Purchaser in writing that the parties shall meet to renegotiate this Agreement. At such time, the parties shall discuss the deadline for termination of this Agreement, which shall occur within six (6) months of the date the City mails the notice to Purchase for renegotiation. All of the terms of this Agreement may be renegotiated in any subsequent agreement.

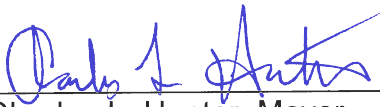
D. In the event that the Purchaser fails to comply with any term or condition of this Agreement, the City shall have the right, at any time, to enter on the Purchaser's property, and for that purpose disconnect the water and terminate this Agreement. Such disconnection shall be a remedy available to the City in addition to any other remedy available at law, including, but not limited to, breach of contract.

18. Severability and Integration.

This Agreement and the Exhibits attached hereto constitute the agreement between the parties on this subject matter, and there are no other understandings, verbal or written, that modify the terms of this Agreement. If any phrase, provision, or section of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable according to the terms of any statute of the State of Washington which became effective after the effective date of the resolution or ordinance adopting this Agreement, such invalidity shall not affect the other terms of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the dates set forth below:

CITY OF GIG HARBOR

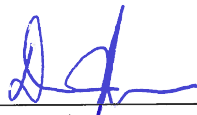

Charles L. Hunter, Mayor

SHORE ACRES WATER COMPANY


SCOTT WAGNER, President

ATTEST:


Molly Towslee, City Clerk


Secretary
DAVID HOPKINS

APPROVED AS TO FORM:


Carol A. Morris, City Attorney

